

SENATE BILL 668

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B2

2004 Regular Session
4r1419
CF 4r1529

By: **Senator Colburn**

Introduced and read first time: February 6, 2004

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Dorchester County - Dorchester Arts Center**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,275,000,
4 the proceeds to be used as a grant to the Board of Directors of the Dorchester
5 Arts Center, Inc. for certain development or improvement purposes; providing
6 for disbursement of the loan proceeds, subject to a requirement that the grantee
7 provide and expend a matching fund; requiring the grantee to grant and convey
8 a certain easement to the Maryland Historical Trust; establishing a deadline for
9 the encumbrance or expenditure of the loan proceeds; and providing generally
10 for the issuance and sale of bonds evidencing the loan.

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That:

13 (1) The Board of Public Works may borrow money and incur indebtedness on
14 behalf of the State of Maryland through a State loan to be known as the Dorchester
15 County - Dorchester Arts Center Loan of 2004 in a total principal amount equal to
16 the lesser of (i) \$1,275,000 or (ii) the amount of the matching fund provided in
17 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
18 and delivery of State general obligation bonds authorized by a resolution of the Board
19 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
20 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

21 (2) The bonds to evidence this loan or installments of this loan may be sold as
22 a single issue or may be consolidated and sold as part of a single issue of bonds under
23 § 8-122 of the State Finance and Procurement Article.

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
25 and first shall be applied to the payment of the expenses of issuing, selling, and
26 delivering the bonds, unless funds for this purpose are otherwise provided, and then
27 shall be credited on the books of the Comptroller and expended, on approval by the
28 Board of Public Works, for the following public purposes, including any applicable
29 architects' and engineers' fees: as a grant to the Board of Directors of the Dorchester
30 Arts Center, Inc. (referred to hereafter in this Act as "the grantee") for the planning,
31 design, renovation, and capital equipping of the center to convert it into a community

1 center for the arts that will include gallery space, studios, classes, performing arts,
2 and handicapped access, located in Cambridge.

3 (4) An annual State tax is imposed on all assessable property in the State in
4 rate and amount sufficient to pay the principal of and interest on the bonds, as and
5 when due and until paid in full. The principal shall be discharged within 15 years
6 after the date of issuance of the bonds.

7 (5) Prior to the payment of any funds under the provisions of this Act for the
8 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
9 matching fund. No part of the grantee's matching fund may be provided, either
10 directly or indirectly, from funds of the State, whether appropriated or
11 unappropriated. No part of the fund may consist of in kind contributions. The fund
12 may consist of real property or funds expended prior to the effective date of this Act.
13 In case of any dispute as to the amount of the matching fund or what money or assets
14 may qualify as matching funds, the Board of Public Works shall determine the matter
15 and the Board's decision is final. The grantee has until June 1, 2006, to present
16 evidence satisfactory to the Board of Public Works that a matching fund will be
17 provided. If satisfactory evidence is presented, the Board shall certify this fact and
18 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
19 equal to the amount of the matching fund shall be expended for the purposes provided
20 in this Act. Any amount of the loan in excess of the amount of the matching fund
21 certified by the Board of Public Works shall be canceled and be of no further effect.

22 (6) (a) Prior to the issuance of the bonds, the grantee shall grant and convey
23 to the Maryland Historical Trust a perpetual preservation easement to the extent of
24 its interest:

25 (i) On the land or such portion of the land acceptable to the Trust;
26 and

27 (ii) On the exterior and interior, where appropriate, of the historic
28 structures.

29 (b) If the grantee or beneficiary of the grant holds a lease on the land
30 and structures, the Trust may accept an easement on the leasehold interest.

31 (c) The easement must be in form and substance acceptable to the Trust
32 and any liens or encumbrances against the land or the structures must be acceptable
33 to the Trust.

34 (7) The proceeds of the loan must be expended or encumbered by the Board of
35 Public Works for the purposes provided in this Act no later than June 1, 2011. If any
36 funds authorized by this Act remain unexpended or unencumbered after June 1, 2011,
37 the amount of the unencumbered or unexpended authorization shall be canceled and
38 be of no further effect. If bonds have been issued for the loan, the amount of
39 unexpended or unencumbered bond proceeds shall be disposed of as provided in §
40 8-129 of the State Finance and Procurement Article.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
2 effect June 1, 2004.